



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 7, 1997

TO: Board of Oil, Gas and Mining

THRU: Mary Ann Wright, Associate Director *MAW*

THRU: D. Wayne Hedberg, Permit Supervisor *DWH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aaG*

RE: Request for Board Approval, Amount and Form of Proposed Replacement Reclamation Surety, International Uranium (USA) Corporation (IUC), LaSal-Snowball Mine, M/037/026, San Juan County, Utah

At the request of the operator, the Division seeks the Board's conditional approval of the amount and form of reclamation surety provided by IUC for the LaSal-Snowball Mine located in San Juan County, Utah. The form of surety is a surety bond for the amount of \$165,900. The surety jointly lists the Division, the BLM, and the Forest Service.

Energy Fuels Nuclear, Inc. is in the process of acquiring/transferring the LaSal-Snowball Mine currently owned by Umetco Minerals Corporation. In turn, IUC is purchasing all the assets controlled by Energy Fuels Nuclear. Closing for the acquisition of Energy Fuels Nuclear by IUC is tentatively set for the end of January 1997. IUC is seeking conditional approval so the replacement surety can become effective at the time of the actual acquisition closing. If the Board accepts this proposal, the Division would not sign the forms transferring the site from Umetco to IUC until the actual surety is received. This operation is an underground uranium mine which was put on standby in 1990. Final signed copies of the Reclamation Contract will be available by the Board Hearing. Final signed copies of the surety bond will be available at the time of closing.

Attached for your review are copies of the following documents:

1. Summary checklist
2. Executive summary
3. Location maps
4. Reclamation surety estimate
5. Draft Reclamation Contract (Form MR-RC)
6. Draft Surety bond (Attachment B - MR Form 6)

Thank you for your time and consideration of this request.

jb
Attachments
M037026.BRD

M/037/026

DOGM MINERALS PROGRAM

Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared January 6, 1997

Company Name: International Uranium (USA) Corp
Mine Name: LaSal-Snowball
File No.: M/037/026

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	X		
Reclamation Bond Estimate	X		1989 estimate and 1997 update
Signed Reclamation Contract		X	Signed copy available by Hearing date
Signed Power of Attorney/ Affidavit of Qualification			
Bond/Reclamation Surety	X		Signed copy at time of Closing
Surety Sign Off (Other State/Federal Agencies)		X	Joint surety forms used
RDCC contacted		X	N/A

M037026.ckl

Reclamation Estimate for Umetco Minerals Corporation
LaSal and Snowball Mines San Juan County M/037/026

Prepared By Utah State Division of Oil, Gas and Mining
 July 5, 1989 Page 1 of 3

Description	Quantity	Unit	\$/Unit	Cost (\$)
LaSal Incline Area Reclamation				
Demolish and Dispose of Buildings	7,400	Square Feet	1.80	13,320
Construct Bulkhead Inside Portal		Lump Sum		1,200
Backfill Portal to Bulkhead		Lump Sum		600
Remove Powerlines and Poles	1,000	Linear Feet	2.00	2,000
Remove Transformers		Lump Sum		500
Remove Trash	16.0	Acres	100	1,600
Contour Ore Stockpiles to 3h:1v	0.4	Acres	800	320
Contour Waste Dumps to 3h:1v	4.6	Acres	800	3,680
Spread Topsoil	1,200	Cubic Yards	0.60	720
Grade for Uniformity	11.0	Acres	430	4,730
Revegetate	16.0	Acres	447	7,150

Subtotal				35,820
Snowball Incline Area Reclamation				
Demolish and Dispose of Buildings	2,850	Square Feet	1.80	5,130
Construct Bulkhead Inside Portal		Lump Sum		1,200
Backfill Portal to Bulkhead		Lump Sum		600
Remove Powerlines and Poles	1,000	Linear Feet	2.00	2,000
Remove Transformers		Lump Sum		500
Remove Trash	4.2	Acres	100	420
Grade for Uniformity	4.2	Acres	430	1,810
Revegetate	4.2	Acres	447	1,880

Subtotal				13,540
Beaver Shaft Area Reclamation				
Demolish and Dispose of Buildings	1,750	Square Feet	1.80	3,150
Break-up and Bury Pad and Bin Area	1,300	Square Feet	1.00	1,300
Backfill Shaft		Lump Sum	1,000	1,200
Install 5' Concrete Plug in Shaft	60	Cubic Yards	120	7,200
Remove Powerlines and Poles	1,000	Linear Feet	2.00	2,000
Remove Transformers		Lump Sum		500
Remove Trash	8.8	Acres	100	880
Contour Ore Stockpiles to 3h:1v	5.5	Acres	800	4,400
Regrade Diversion Ditch	1,100	Linear Feet	0.80	880
Grade for Uniformity	3.3	Acres	430	1,420
Revegetate	8.8	Acres	447	3,930

Subtotal				26,860

Reclamation Estimate for Umetco Minerals Corporation
LaSal and Snowball Mines San Juan County M/037/026

Prepared By Utah State Division of Oil, Gas and Mining
 July 5, 1989 Page 2 of 3

Description	Quantity	Unit	\$/Unit	Cost (\$)
Off-Site Reclamation				
Backfill Vent Holes with Rip-Rap	10	Each	300	3,000
Install 5' Concrete Cap in Vent Holes	52	Cubic Yards	120	6,240
Remove Powerlines and Poles	8,000	Linear Feet	2.00	16,000
Remove Trash	13.0	Acres	20	260
Rip Roads	4.0	Acres	175	700
Grade for Uniformity	9.0	Acres	430	3,870
Revegetate	13.0	Acres	447	5,810

Subtotal				35,880
				=====
Totals	42.0	Acres		112,100
Add Contingency (10%)				11,210

TOTAL RECLAMATION COST (1989 Dollars)				123,310
TOTAL RECLAMATION COST (1994 Dollars) @ 1.93% Annual Inflation				136,000

EXECUTIVE SUMMARY

UNION CARBIDE CORPORATION

La Sal-Snowball Mines

T. 28S., R. 24E.; T. 29S., R. 24E.
T. 29S., R. 25E.; T. 28S., R. 25E.

San Juan County, Utah

ACT/037/026

December 12, 1978

LOCATION:

Union Carbide Corporation is operating an underground random room and pillar operation located in the following location: Sections 34, 35, and 36, Township 28 South, Range 24 East; Sections 1, 2, 3, and 12, Township 29 South, Range 24 East; Section 6, Township 29 South, Range 25 East; Section 31, Township 28 South, Range 25 East, SLBM, San Juan County, Utah.

The application is for two underground uranium mines that will eventually be connected through underground workings. Two declines with associated surface facilities consisting of waste-rock dumps, ore stockpiles, shop, and office facilities, vent shafts, and access roads presently exist. A vertical shaft is also being developed.

Consult the enclosed map for mine site location.

SOILS AND GEOLOGY:

The mine sites are developed on rolling topography with shallow soils. Soils were not stockpiled prior to the commencement of mining. Union Carbide will attempt to establish vegetation of the spoil material and disturbed areas without spreading topsoil.

HYDROLOGY:

There are no perennial streams immediately adjacent to the mine site. The La Sal decline, Beaver shaft and associated facilities pose minimal erosion potential as they are located on relatively flat ground. The Snowball Mine site and access road; however, have a greater potential erosion problem. The mine is located on a hillside adjacent to an ephemeral drainage. The access road crosses the drainage.

Groundwater in the area is developed in the thick gravel alluvial surficial deposit and in the immediately underlying Dakota and Burro Canyon Formations. The mine is developed in the basal Salt Wash member of the Morrison Formation. This Formation lies directly below the Burro Canyon Formation.

Ground water was encountered during the drilling of the Beaver Claim #2 Venthole. The hole was grouted and presently seeps approximately 8 gallons per minute into the mine. The water is used for mining purposes. No discharge to the surface exists or is planned. Potential impact on local groundwater is probably minimal.

ECOLOGY:

→ Pinyon pine and juniper comprise the overstory and the understory is comprised of sagebrush and native grasses at the Snowball Mine site. The La Sal and Beaver sites are located in the sagebrush-native grass range community. The mine sites have limited value for wildlife habitat.

STRUCTURES AND FACILITIES:

Existing and proposed structures and facilities at the three surface facility sites are listed below.

La Sal site:

One decline	Shed
Access roads	Compressor building
Shop facilities	Power station
Water tanks	Ore stockpiles
Two trailers	Waste-rock dumps
Storage facilities	Powder magazine
Eleven existing and proposed vent holes to serve the three mine complex	

Snowball site:

Access road	Compressor
Shop and office building	Waste-rock dump
Transmission station	Ore stockpile
One decline	

Beaver site:

One double entry vertical shaft
Hoist house
Compressor building
Ore bins
Transmission station
Proposed waste-rock dump

MINING AND RECLAMATION:

Union Carbide has committed to the items listed below.

During Operations:

- a. Mining will be conducted in a safe, sound technical and prudent miner-like manner.

EXECUTIVE SUMMARY
Union Carbide Corp.
La Sal-Snowball Mines
Page Three

- b. Future site expansion will salvage topsoil in advance of development and it will be stored in stabilized and revegetated stockpiles.
- c. New access roads will be constructed in a manner to allow for proper drainage.
- d. Revegetation tests will be employed.
- e. During the construction of waste dumps necessary precautions will be taken to avoid disrupting the natural ephemeral drainage.

After Operations:

- a. Surface debris, scrap metal, discarded wood, and unuseable buildings will be buried or removed from the site.
- b. Portals, shafts, and ventilation holes will be sealed to prevent unauthorized or accidental entry.
- c. Dumps, pads, and other disturbed sites will be stabilized by rounding off outer edges, reducing the slope of the rock faces and regrading drainage contours.
- d. Compacted surfaces will be scarified, seeded with a grass-shrub seed mixture in the fall, and drag covered.
- e. The main road through the site will be left open for access.
- f. Reclaimed areas will be monitored and reseeded if necessary.

IMPACTS:

The La Sal and Snowball facilities were in existence prior to the Utah Mined Land Reclamation Act. The Beaver facilities are relatively new. The Mining and Reclamation Plan is designed to eliminate safety hazards and reduce environmental and visual impacts.

SURETY ESTIMATES:

Reclamation surety for this operation was estimated to be \$46,300.00 which includes 5% inflation for the 14 year life of the mine. The surety estimate includes the following:

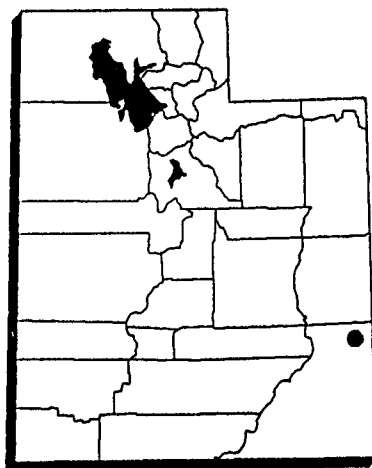
EXECUTIVE SUMMARY
Union Carbide Corp.
La Sal-Snowball Mines
Page Four

- a. Sealing of two declines and the vertical shaft.
- b. Sealing of eleven vent shafts.
- c. Removal of structures and equipment.
- d. Removal of trash and debris.
- e. Regrading of spoil piles.
- f. Scarification and reseeding of disturbed areas.
- g. Supervisory labor.
- h. Removal of hazardous substances.
- i. Reseeding and monitoring if necessary.
- j. 5% inflation for the proposed mine life.

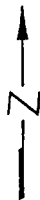
A copy of the reclamation surety estimate is enclosed.

APPLICATION HISTORY:

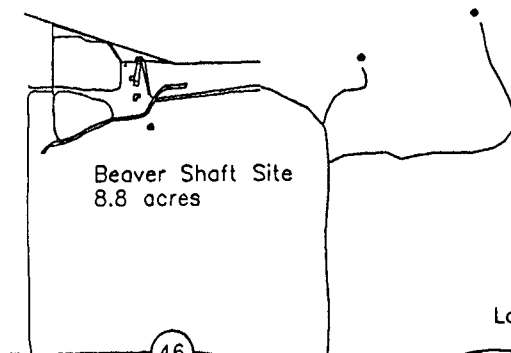
June 23, 1977	Initial application, dated June 20, 1977, received.
April 12, 1978	First Division field inspection.
December 8, 1978	Second Division field inspection.



Project Location



46



Beaver Shaft Site
8.8 acres

LaSal

LaSal Incline Site
16.0 acres

Snowball Incline Site
4.2 acres

Pandora Mine Site
15.2 acres

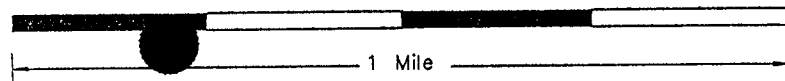
Umetco Minerals Corporation
LaSal, Snowball and Pandora Mines
M/037/026 and M/037/012
San Juan County, Utah

Scale: 1"=1320' (1/4 mile)
Map Compiled June 30, 1989



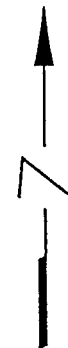
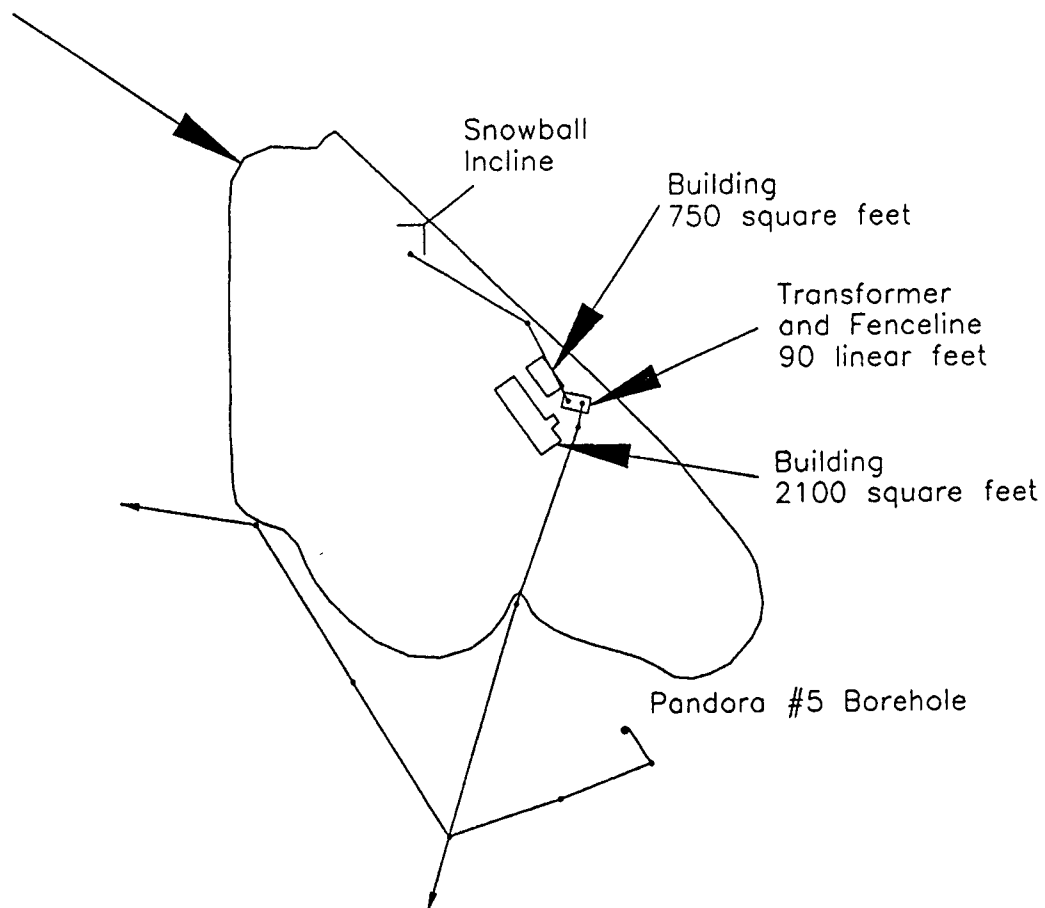
State of Utah
Natural Resources
Oil, Gas and Mining

1/4 Mile



1 Mile

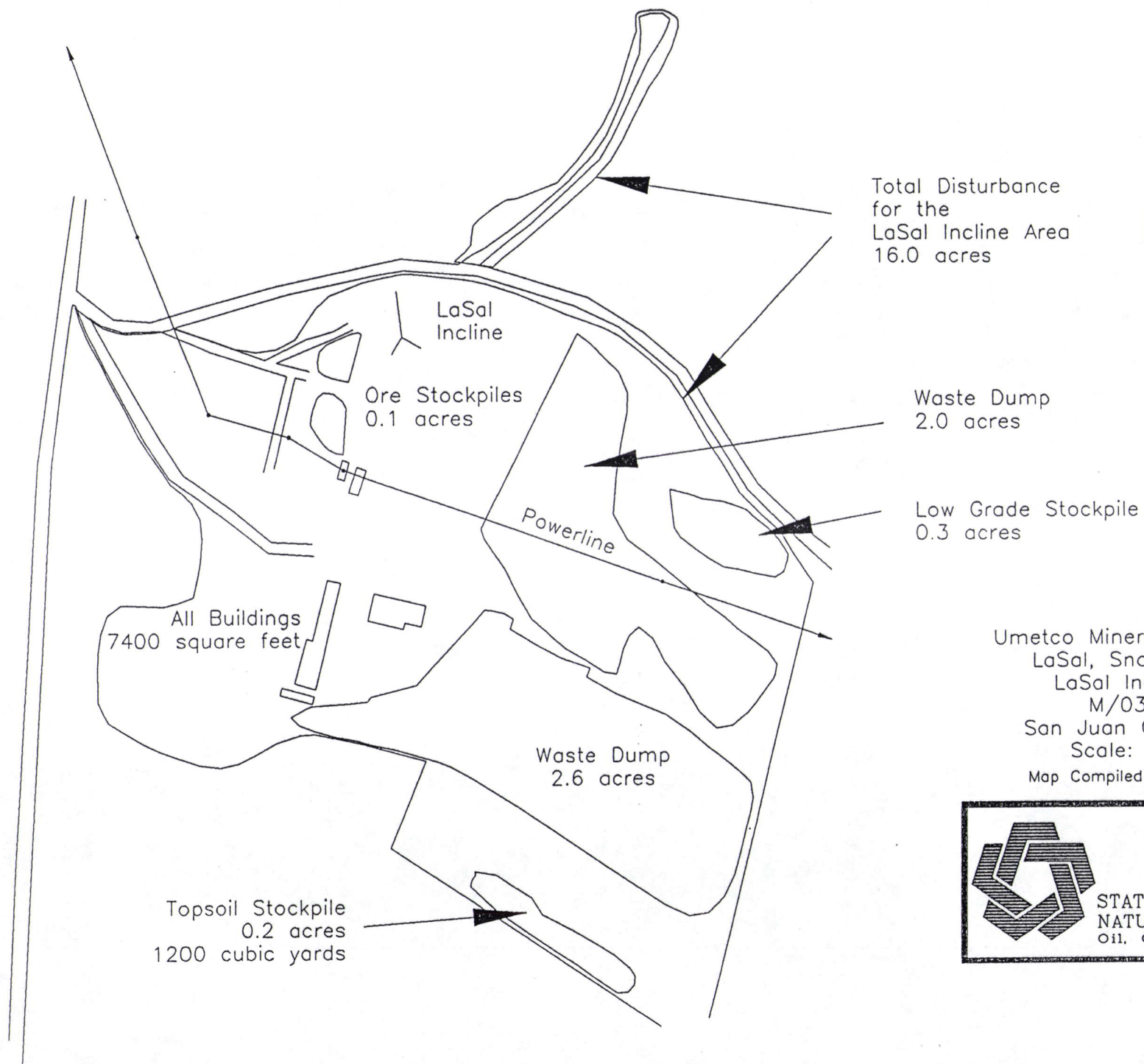
Total Disturbance
for the
Snowball Incline Area
4.2 acres



Umetco Minerals Corporation
LaSal, Snowball Mines
Snowball Incline Site
M/037/026
San Juan County, Utah
Scale: 1"=200'
Map Compiled June 29, 1989



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining



Umetco Minerals Corporation
LaSal, Snowball Mines
LaSal Incline Area
M/037/026
San Juan County, Utah
Scale: 1"=200'
Map Compiled June 29, 1989

